



APPLICATION FOR OIL AND GAS PERMIT

(Pursuant to Midland City Ordinance No. 8769)

I. General Information		
Date	Operator Name (must match W-1)	Operator Address
Representative Name	Representative Address (within Midland City Limits)	Rep. Tele.
		Rep. Fax
Permit Compliance Contact (Choose 1):		
Option A:		
24/7 Answering Services - No. 1 (Tele.):		No. 2 (Tele.):
Option B:		
Company Compliance Representative (Name, Address, Local Telephone) (<i>ATTACH STATEMENT AS EXHIBIT A</i>):		
Emergency Contact Representative (Name, Address, 24-Hour Tele. No.):		
Other Permitted Wells in City (<i>ATTACH EXHIBIT B</i> [see § J(26)]).		
II. Mineral Ownership		
Name(s) and Address(es) of Mineral Estate Lessors (under applicable lease):		
1.		
2.		
3.		
<i>ATTACHED AS EXHIBIT C</i> is (a <i>Title Opinion</i> by _____, a licensed Texas Attorney/ <i>Title Commitment by Abstract Company/a Take-off from</i> _____, a <i>Certified Petroleum Landman/an opinion letter from</i> _____, a licensed Texas Attorney) indicating that [Operator] has a legal right to develop the mineral estate that is the subject of this Application. [See § J(5)].		
III. Surface Ownership & Use		
General Description of Current Surface Use (within 860 feet of proposed surface location):		
<i>ATTACHED AS EXHIBIT D</i> is (a <i>Title Opinion</i> by _____, a licensed Texas Attorney/ <i>a Take-off from</i> _____, a <i>Certified Petroleum Landman/Current Tax Roll from Midland Central Appraisal District</i>), which lists the name(s) and address(es) of all surface owners within 860 feet of the surface well location. [See § J(7)].		
<i>ATTACHED AS EXHIBIT E</i> is a (map/p lat/satellite/aerial photo) depicting all Residences, commercial structures, public buildings, all publicly dedicated Streets and alleys, Rights of Way, and permanent accessory structures surrounding the proposed Drill Site. The (map/p lat/satellite/aerial photo) includes two circles, as required by the Ordinance—one depicting a 500 foot radius and one depicting an 860 foot radius from the proposed well's surface location. [See § J(10)].		
<i>ATTACHED AS EXHIBIT F</i> is a copy of the notification letter(s) sent to 100 percent of the surface owners, Certified Mail, Return Receipt Requested. [See § J(36)].		

IV. Well & Operations Information

Proposed Well Name:

Proposed Hole Size, Casing Program and Cementing Program (attach Exhibit as Necessary)[See § J(11) and § L(4)]:

Legal Description of Proposed Well Site:

ATTACHED AS EXHIBIT G is the Location Site Plan [See § J(9)].

ATTACHED AS EXHIBIT H is the Map with the proposed transportation route(s) and road(s) for equipment, chemicals, or refuse products used or produced in the proposed oil and gas operations. [See § J(12)].

ATTACHED AS EXHIBIT I is a copy of the approved Texas Railroad Commission permit to drill (Form W-1), together with all attachments (*also file copy of W-1 with City Secretary before commencement of drilling operations*). [See § J(16) and (20)].

ATTACHED AS EXHIBIT J is a copy of the required TCEQ report as to depth of usable quality ground water. [See § J(17)].

ATTACHED AS EXHIBIT K (if applicable) is the list of alternative locations developed in consultation with the Oil & Gas Advisory Committee. [See § J(27)].

ATTACHED AS EXHIBIT L is the Fencing and Irrigation Plan. [See § J(30)].

ATTACHED AS EXHIBIT M is the Road Repair Agreement and *Letter of Credit/Certificate of Deposit/Surety Bond* in the amount of at least \$25,000. *Option (if applicable): Applicant would further state that no City-owned streets or alleys will be used by the Operator in connection with its oil and gas operations and as a result, requests a waiver from the Council of this requirement. Option B (if applicable):* Because Applicant has three Road Repair Agreements in effect that have been approved by the Council, Applicant requests that the Council consolidate all agreements into one and is filing the necessary \$75,000 *letter of credit/certificate of deposit/surety bond* in conjunction with this request. [See § J(31)].

ATTACHED AS EXHIBIT N is the Concept Plan depicting the proposed Operations Site (which includes tanks, roads, power lines, and pipeline routes). [See § J(32)].

Description of Public Utilities required during (1) drilling and (2) operations:

(1) **Drilling:**

(2) **Operations:**

Description of water source to be used during Drilling:

Description of all electric lines to production facilities (reference exhibits as necessary) [See § L(10)]:

Plan detailing construction, location, and closure of pits used for Drilling and Completion operations (attach exhibit if necessary) [See § J(35)]:

V. Additional Required Exhibits

ATTACHED AS EXHIBIT P is the *Letter of Credit/Certificate of Deposit* in accordance with Subsection (K)(2). [See § J(18)].

ATTACHED AS EXHIBIT Q are Tax certificates from Midland Central Appraisal District to be submitted indicating that all taxes on personal and real property, including minerals, owned by Applicant are current. [See § J(29)].

ATTACHED AS EXHIBIT R is the required Insurance Certificate. [See § J(19) and § K(3)].

ATTACHED AS EXHIBIT S (if applicable) is the Drainage Plan approved by the City Engineer relating to Applicant's proposed operations. [See § J(21)].

ATTACHED AS EXHIBIT T is Applicant's Emergency Action Response Plan. [See § J(22)].

ATTACHED AS EXHIBIT U is Applicant's Hazardous Materials Management Plan, a copy of which has been submitted and is on file with the Midland Fire Department. [See § J(23)].

[NAME OF COMPANY]

By _____
Its _____

County of _____) State of _____))

_____, personally appeared before me, and being first duly sworn declared he/she signed the application in the capacity designated, if any, and further states that he/she has read the above application and attached exhibits and the statements therein are true and correct to the best of their knowledge.

Notary Public, State of _____

[S E A L]

Exhibit A (if applicable)

COMPLIANCE ACKNOWLEDGMENT OF DESIGNATED
COMPLIANCE REPRESENTATIVES

1. My name is _____ and I serve as _____ for
_____ (“Operator”).

2. I understand and agree that I am responsible for ensuring compliance with all conditions of the Oil and Gas Well Permit for which Operator has herein applied, along with any applicable laws, regulations and ordinances by any and all employees, contractors or subcontractors of Operator at the oil and gas operations site.

3. I further understand that is my sole obligation in the event I am relieved of these responsibilities, that the name, local address, and local telephone number of my replacement will be provided to the City’s secretary.

STATE OF _____ {
COUNTY OF _____ {

THE FOREGOING INSTRUMENT was acknowledged before me on the _____ day of
_____, 2010, by _____, known to me to
be the person whose signature is subscribed above.

Notary Public -State of _____

Exhibit B (if applicable)

OPERATOR'S CERTIFICATION

Below is the list and location of each well _____ (“Operator”) has permitted in the City. This list includes any well in which Operator owns a controlling interest or of which is the Operator.

Each and every of these wells complies with all applicable permits and ordinances that control their operation within the City of Midland.

WELL

LOCATION

[Operator]

By: _____

Its: _____

STATE OF _____ {
COUNTY OF _____ {

THE FOREGOING INSTRUMENT was acknowledged before me on the _____ day of _____, 2010, by _____, known to me to be the person whose signature is subscribed above.

Notary Public -State of _____

Exhibit C

[Attach a title opinion prepared by a Texas attorney, or a take-off from a certified petroleum landman or a title commitment prepared by an abstract company, or a letter signed by a Texas attorney indicating that the applicant has a legal right to develop the mineral estate that is the subject of the Oil and Gas Well Permit Application]

Exhibit D

[Attach title opinion prepared by Texas attorney, or a take-off from a certified petroleum landman or a title commitment prepared by an abstract company, or the most recently approved municipal tax roll from the Midland Central Appraisal District listing the name(s) and address(es) of all surface Owners within eight hundred and sixty (860) feet of the proposed surface location of the Well (Rather than along any Right-of-way, this distance shall be measured directly, in a straight line.)]

Exhibit E

[Attach map/plat/aerial/satellite photo depicting any Residence, commercial structure, Public Building, or any publicly dedicated Street or alley, Right of way or permanent accessory structure used on connection with such Residence, structure or Building surrounding such proposed Drill Site, including marking two circles on the map, plat, or satellite photo depicting a radius of five hundred (500) feet and a radius of eight hundred sixty (860) feet from the proposed surface location of the Well]

Exhibit F

[Operator letterhead]

[date]

VIA CERTIFIED MAIL, RRR

Dear Surface Owner:

Please accept this correspondence as notification that an Application for an Oil and Gas Well Permit has been filed in accordance with the City of Midland's ordinance and a copy of the application will be made available for review at the planning division of the City of Midland. You are receiving this notification because the surface location of the proposed well is on or within 860 feet of property that the Midland Central Appraisal District tax rolls indicate you own.

The application will not be forwarded to the oil and gas advisory committee for consideration until at least 21 days have passed from the date of this letter.

Very truly yours,

By: _____

Exhibit G

LOCATION SITE PLAN

Proposed Well Name:

Legal Description:

(Produced by professional land surveyor licensed in Texas), which lists the following:

1. Proposed operations site;
2. Proposed surface location of the well;
3. Proposed routing of any gathering lines;
4. Location of any and all improvements and equipment, and other facilities, including tanks, pipelines, separators, and storage sheds;
5. Lot line shown on any recorded subdivision plat for the area;
6. Right-of-way or public easement boundaries;
7. City limit boundaries within 860 feet of the proposed surface location of the well;
8. Topographic features; and
9. Proposed fencing and landscaping.

Exhibit H

[Attach map showing proposed transportation route and road for equipment, chemicals or refuse products used or produced by the oil and gas operations. These are the only roads that may be used unless an amended route plan is filed and approved.]

Exhibit I

[Attach W-1 approved by Texas Railroad Commission along with all supporting attachments and plat(s) which are applicable to Drill Site and Operation Site.]

Exhibit J

[Attach a copy of the determination by the Texas Commission on Environmental Quality of the depth of usable quality groundwater.]

Exhibit K (if applicable/available)

[Attach list of alternative locations developed in consultation with the Oil and Gas Advisory Committee from which Operator may reach the same mineral estate and potentially drill a producing oil and/or gas well.]

Exhibit L

[Attach a fencing and irrigation plan containing the detail set forth in Subsection M].

Fencing & Irrigation Plan [See § M]

1. Description of Building Materials, Dimensions, & Locations of Proposed Fence & Gates

[At a minimum, Tank battery facilities, wellheads, and any production equipment associated with Oil and Gas Wells shall be enclosed by a chain link fence at least 7 feet high with beige-colored slates woven through chain linked, topped with 3 strands of barbed wire angled outward, and shall be equipped with a locking gate.]

[Gates shall be provided with a combination catch and locking attachment for a padlock, and shall be kept locked except when being used to access Operation site]

[Plan shall state that Operator will provide the City Fire Chief with a “Knox Padlock” or “Knox Box with a key” to access the Operation site to be used only in case of an emergency].

[No fencing required during Drilling, completion or Re-working operations as long as 24-hour on-site supervision is provided - may state that it will be provided in plan to ensure complete responsiveness.]

2. Landscaping

General Description: Eight trees will be planted within twenty-five (25) feet from the outside perimeter of the fenced outlined in Section (1) above.

Type: [must be at least 75% (or 6 trees) evergreen from list set forth in M(2)]

Size: As set forth in the Ordinance, each tree planted will be at least 4 inches in diameter measured one foot above ground level at the time of planting.

Maintenance: Operator agrees to replace any tree that dies within 3 years of planting.

[Note: may submit alternative plan for council consideration including type, number and location of trees.]

3. Irrigation

[Operator shall submit an irrigation plan detailing the measures to be taken to adequately irrigate the landscaping including: (1) water source & (2) proposed efforts to replace dead or dying screening vegetation]

[If needed, irrigation plan should set forth request for use of City water if available at site].

Exhibit M

[Attach road repair agreement approved by Operator (and subject to approval by Council)]

[Council may waive this requirement upon a showing by the Operator that no city-owned streets or alleys will be used by the Operator in connection with its oil and gas well operations.]

[Council shall require 25,000.00 letter of credit, CD, or surety bond for every approved road repair agreement.]

[If 3 or more road repair agreements in effect that have approval of Council, Operator may request consolidation into one agreement. Council may grant request and require one of the above in 75,000.00 instead of 25,000.00].

* Separate security from that required in § K(2).

Exhibit N

[Concept Plan depicting the proposed Operations Site, Tanks, roads, power lines, and pipeline routes sufficient to allow the City to determine that the future development will not be unreasonably restricted.]

[Operations Site: area used for production and all operational activities associated with oil and gas after Completion of Drilling]

Exhibit O

[Attach plan detailing construction, location, and closure of pits used for Drilling and completion operations.]

Ordinance Conditions on Pits to incorporate into plan:

- No pit in flood plain without obtaining a flood plain development permit from City Dept. of Development Services.
- No fresh water pit may be placed in any City-recognized drainage way, FEMA flood plain, or floodway. All must comply with applicable regulations.
- Use of earthen pits shall be allowed so long as they meet or exceeds the requirements of the applicable RRC and TCEQ rules in addition to the following requirements:
 - max site: 200' x 200';
 - lined with plastic liner having min. thickness of 8 mil reinforced polyethylene;
 - reserve pits used in Drilling shall be fenced during operations and enclosed on all sides once drilling ceased
 - reserve pits closed w/in 180 days of drilling cessation
 - drill cuttings may be disposed using deep burial method as long as pit located w/in 135 feet of Well surface location, all free water removed, and impermeable liner placed above cuttings prior to covering, and covered by min. 36 in. of clean, compactable soil
 - survey and description of any closed pit shall be recorded in real property records

Exhibit P

[Attach Irrevocable Letter of Credit, Certificate of Deposit, or Surety Bond in name of City- see § K(2) for initial requirements and renewal requirements].

Exhibit Q

[Attach Tax certificates from MCAD indicating all taxes on personal and real property owned by Operator have been paid to current year].

Exhibit R

[Attach Insurance Certificate(s)] - see § K(3)

[In addition to attachment, submit copy to City Attorney's Office evidencing all required coverages and endorsements].

[Operator shall have right to maintain a qualified, self-insurance plan and/or maintain prudent levels of self-insured retention for insurance coverage. Operator's insurance shall remain primary coverage as to any liabilities of City].

Exhibit S

[Attach drainage plan if required by City Engineer].

Exhibit T

[Attach Emergency Action Response Plan establishing written procedures to minimize any hazard resulting from drilling, completion or producing of Oil and Gas Wells. Said plan shall use guidelines as established by RRC, TCEQ, TxDOT, and or EPA. Plan should include drive-to-maps from public rights-of-way to Drill Site].

Exhibit U

[Attach Hazardous Materials Management Plan and state that same has been submitted and on file with Fire Department].

[See also § L(23)].